

## PROFESSIONAL ASSOCIATION

16 CHARLOTTE STREET  
CHARLESTON, SC 29403

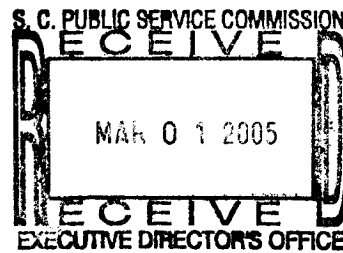
PO DRAWER 22247  
CHARLESTON, SC 29413-2247

PHONE: 843.727.2200  
FAX: 843.727.2228

WWW.WISELAW.COM

E-MAIL: gtw@wiselaw.com  
DIRECT DIAL: 843.727.2208  
DIRECT FAX: 843.805.6533

2005-35w/s



February 23, 2005

U.S. MAIL ☒ FACSIMILE ☐ FEDERAL EXPRESS ☐

Charles Terremi, Esq.  
South Carolina Public Service Commission  
101 Executive Center Drive  
Saluda Building, Suite 100  
Columbia, SC 29210

RE: **Haig Point Utility Company, Inc.**  
**Petition for Expansion of Service Area and Approval of Contract**  
Our File No.: 6385-035

Dear Mr. Terremi:

I have enclosed the original and 25 copies of Haig Point Utility Company, Inc.'s Petition for Expansion of Service Area and Approval of Contact, along with Certificate of Service.

I would very much appreciate your filing these with the Commission. If anything further needs to be done to complete this filing, please let me know.

Thank you for your courtesies in accomplishing this filing. With kind regards, I am,

Sincerely,

PRATT-THOMAS, EPTING  
& WALKER, P.A.

A handwritten signature in dark ink, appearing to read "G. Trenholm Walker".

G. Trenholm Walker

GTW/lye

Enclosures (As noted)

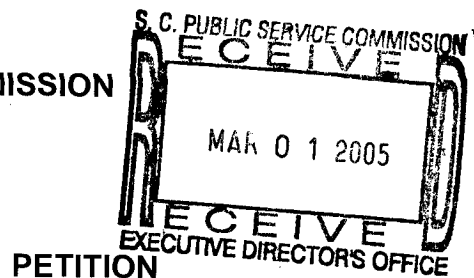
cc: Office of Regulatory Staff (5 copies)  
Florence P. Belser, Esq.  
Thomas F. Connor, Controller  
F. David Butler, Esq.  
Gary White  
John F. Guastella  
Charles L. Cauthen, Esq.  
Neil C. Robinson, Jr., Esq.

172925

BEFORE THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

IN RE: PETITION OF HAIG POINT  
UTILITY COMPANY, INC. FOR  
EXPANSION OF SERVICE AREA  
AND APPROVAL OF CONTRACT

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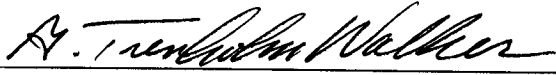
Haig Point Utility Company, Inc., hereby petitions the Public Service Commission of South Carolina (the "Commission") for expansion of its service area and approval of a contract related to this expansion, alleging and stating as follows:

1. Haig Point Utility Company, Inc. ("HPU") is a South Carolina corporation doing business in Beaufort County, South Carolina.
2. HPU is a public utility, currently providing water and sewer services to property owners within a development known as Haig Point Plantation under the Commission's Order approving establishment of service area and rates and charges dated May 24, 1988, Order No. 88-522 (hereinafter the "Order").
3. The service area approved by the Commission in the Order excluded an acreage tract adjoining the service area that is bounded on three sides by HPU's service area. This acreage tract is titled on the map submitted with the original application as "Out Parcel." A more current map of the water and sewer infrastructure of HPU is attached hereto as Exhibit 1. The acreage tract in question is titled "Cedar Cove."
4. Upon information and belief, the Cedar Cove acreage tract is not in the service area of any other public utility.

5. Widewater Dunes Limited Partnership ("Widewater") is the current owner of the acreage tract. Widewater and HPU negotiated for the provision of water and sewer service to the acreage tract. Widewater intends to subdivide and develop the acreage tract.
6. On or about June 3, 2002, HPU and Widewater entered an agreement for water and sewer service (the "Agreement") for the acreage tract. A copy of the Agreement is attached hereto as Exhibit 2.
7. The expansion of the service area of HPU to include the acreage tract would not in any way burden the existing rate payers of HPU.
8. As set forth in the contract, Widewater bears all costs and expenses associated with constructing the infrastructure for the provision of water and sewer service within the acreage tract, which will be developed into no more than 18 single-family residential lots. Widewater has further agreed to be responsible for any costs associated with approval of the expansion of the service area of HPU and the approval of this contract by the Commission.
9. The contract between HPU and Widewater has no negative effect on HPU's fitness, willingness, or ability to provide water and sewer service.
10. Expansion of the service area to include the acreage tract and approval of the contract is in the best interest of HPU and its rate payers.

WHEREFORE, Haig Point Utility Company, Inc. hereby requests that the Public Service Commission of South Carolina grant this petition and (1) permit the expansion

its service area to include the acreage tract and (2) approve the contract between it and  
Widewater Dunes Limited Partnership.

BY:   
G. Trenholm Walker  
PRATT-THOMAS, EPTING  
& WALKER, P.A.  
Post Office Drawer 22247  
Charleston, South Carolina 29413-2247  
Phone: 843/727-2200

ATTORNEYS FOR HAIG POINT  
UTILITY, INC.

February 23, 2005

Beaufort, South Carolina

# HAIG POINT/MEL MASTER WASTEWATER

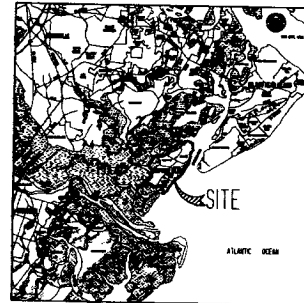
BARFORD ISLAND  
THOMPSON COUNTY GEORGIA

DESIGNED FOR  
INTERNATIONAL PAPER

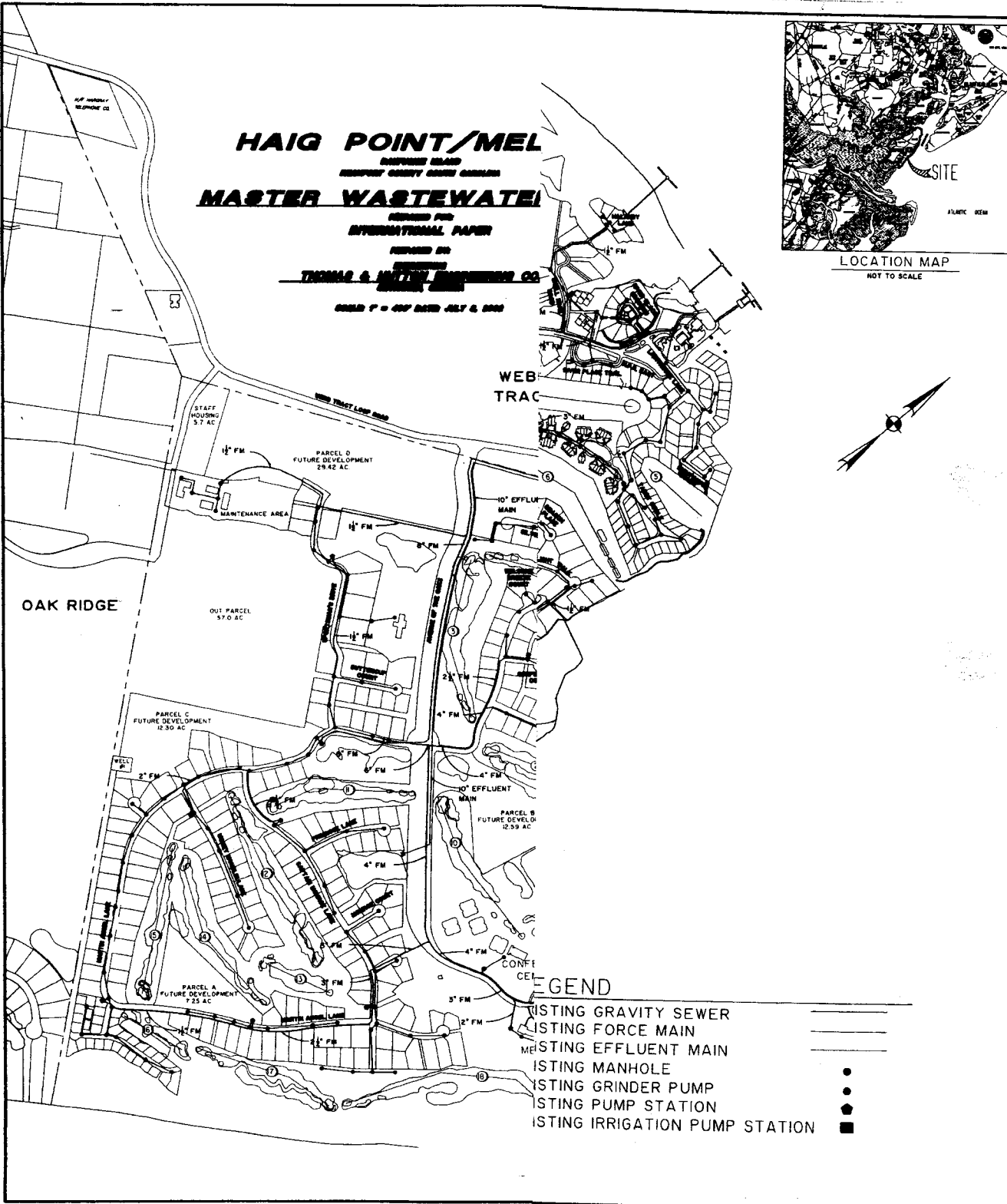
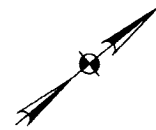
PREPARED BY

THOMAS & MATTEN ENGINEERING CO.  
ATLANTA, GA

SCALE 1" = 400' DATE JULY 4, 1988



LOCATION MAP  
NOT TO SCALE



## LEGEND

- EXISTING GRAVITY SEWER
- EXISTING FORCE MAIN
- EXISTING EFFLUENT MAIN
- EXISTING MANHOLE
- EXISTING GRINDER PUMP
- EXISTING PUMP STATION
- EXISTING IRRIGATION PUMP STATION

WEBB  
TRACT

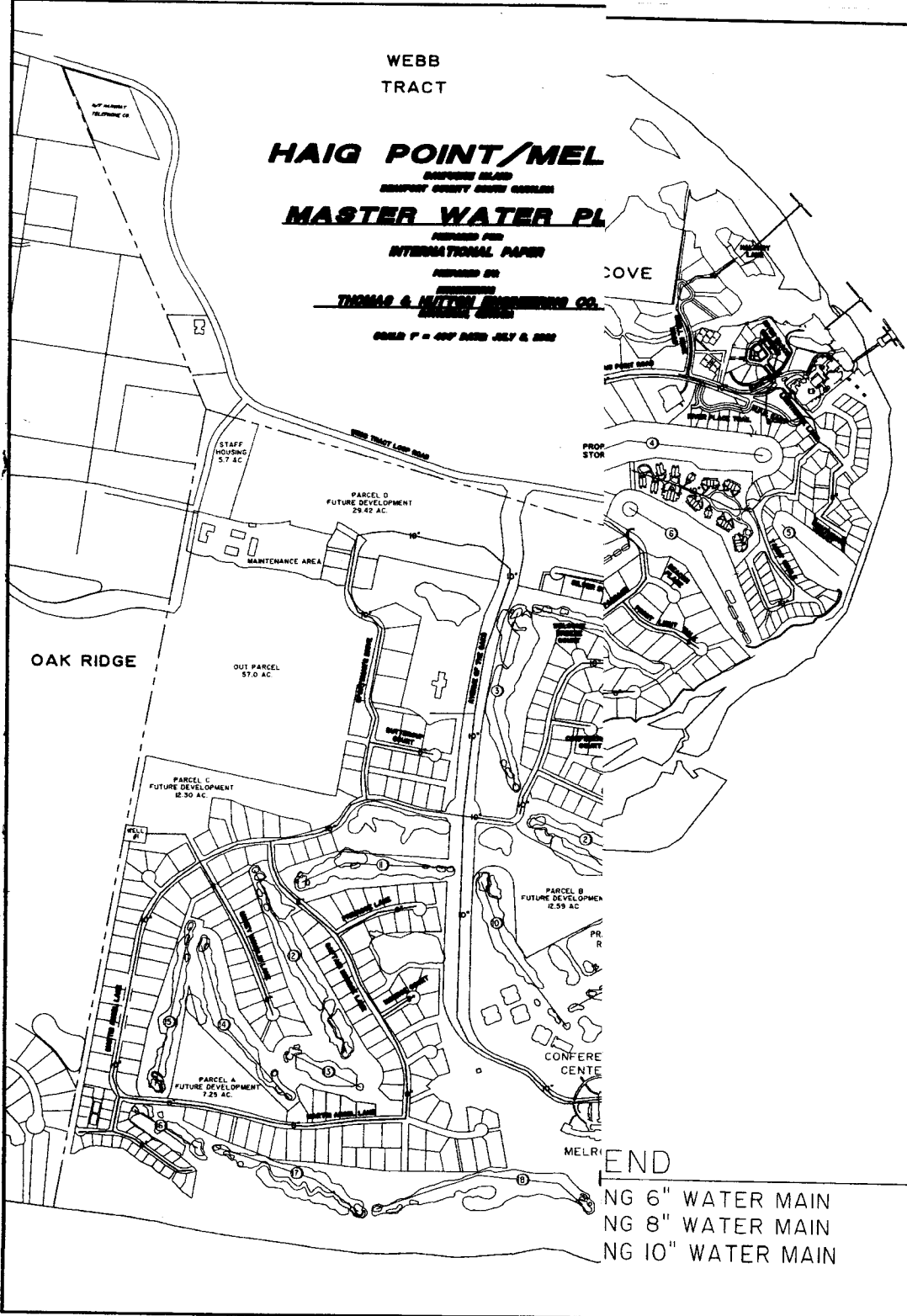
**HAIG POINT/MEL**  
BARBERS ISLAND  
HAWAII COUNTY GOV. OFFICE  
**MASTER WATER PL**

DESIGNED FOR  
INTERNATIONAL PAPER

PREPARED BY

**THOMAS & HUTTON ENGINEERS CO.**  
ENGINEERS

SCALE 1" = 400' DATE: JULY 4, 1982



END  
NG 6" WATER MAIN  
NG 8" WATER MAIN  
NG 10" WATER MAIN

THE PROVISIONS OF THIS AGREEMENT ARE SUBJECT TO ARBITRATION UNDER  
THE SOUTH CAROLINA ARBITRATION ACT

STATE OF SOUTH CAROLINA        )  
  )  
COUNTY OF BEAUFORT            )        Agreement for Water and Sewer Service  
  )        by and between Haig Point Utility  
  )        Company, Inc. and Widewater Dunes Limited  
  )        Partnership

This Agreement (the "Agreement") is made and entered into this 3rd day of June, 2002 between Haig Point Utility, Inc. (the "Utility") and Widewater Dunes Limited Partnership ("Developer").

WITNESSETH:

Whereas, Utility is a corporation organized and existing under the laws of the state of South Carolina and is a public utility within the meaning of the South Carolina statutes; and

Whereas, Developer is a limited partnership organized and existing under the laws of the state of South Carolina which has developed a subdivision known as Cedar Cove consisting of 18 single family residential lots adjacent to the Haig Point Plantation on Daufuskie Island, Beaufort County, South Carolina (the "Property"); and

Whereas, the Utility currently maintains a water and sewer system in the Haig Point Plantation area, Daufuskie Island, Beaufort County, South Carolina (the "Haig Point System") which provides sewer collection, waste water treatment and potable water distribution services to property owners at Haig Point Plantation;

Whereas, the Property currently abuts other real property currently being served by the Utility through the Haig Point System; and

Whereas, Developer has requested that the Utility provide 7200 gallons of potable water (400 gallons x 18 lots) and 5400 gallons of sewer capacity (300 gallons x 18 lots) per day (collectively the "Capacity") to the Property; and

Whereas, Developer and Utility have reached an agreement with respect to the reservation of the Capacity for the Property at the rate of \$10.00/gallon for sewer and \$3.00/gallon for water;

Whereas, Developer and Utility have further agreed that a pro rata share of the cost of constructing a new water tower which will serve the Property will be paid by Developer in the amount of \$24,000.00.

NOW THEREFORE, for and in consideration of the that sum of Ninety-Nine Thousand Six Hundred and no/100 (\$99,600.00) Dollars paid upon the execution of this Agreement to the Utility by Developer, the receipt therefor is hereby acknowledged; the foregoing recitals (which are incorporated herein as if restated verbatim); and of the mutual covenants and promises hereafter set forth, it is hereby agreed among the parties that the Utility shall provide the Capacity to the Property subject to the following:

1. Developer shall bear all costs and expenses and obtain all necessary permits and approvals to design, develop and construct piping, valves, hydrants, pump stations, stub-out connections to no more than eighteen (18) single-family residential lots in the Property; and other such related systems that may be required to deliver the Capacity to the Property (the "Cedar Cove Infrastructure").
2. Developer warrants that the Cedar Cove Infrastructure shall be developed and constructed in a good and workman-like manner; and in compliance with (a) all applicable state; federal and local laws and regulations; (b) requirements, as and if applicable; specifically by the Utility and any other transferee; and (c) requirements, as and if applicable, of the Beaufort/Jasper Water and Sewer Authority ("BJWSA").
3. The Utility or their designated engineers or representatives shall instruct Developer as to the location or locations where Developer may connect the Cedar Cove Infrastructure to the Haig Point System (each such location a "Point of Connection"). Each such Point of Connection shall be determined in the sole and absolute discretion of the Utility or its designated engineers or representatives. Developer shall only connect the Cedar Cove Infrastructure to the Haig Point System at the specified Point or Points of Connection. Upon making such connection, Developer shall return the area(s) surrounding the Point(s) of Connection, including but not limited to the landscaping in such area(s), back to it or their original condition.
4. Both parties agree to grant to each other any and all easements and access that may be reasonably necessary to allow for the connection of the Cedar Cove Infrastructure to the Haig Point System at Point(s) of Connection, and for subsequent maintenance and repair of the Point(s) of Connection. This Agreement and any easements granted with respect to the transaction contemplated herein shall be recorded with the RMC Office for Beaufort County upon the designation of the Point(s) of Connection and shall run with the land so that Developer and its successors and assigns (including, but not limited to, individual lot owners or other developers) shall take the Property, or any portion thereof, subject to same.
5. Developer shall be responsible for any and all (a) aid-in-construction fees, (b) costs associated with changes to the South Carolina Public Service Commission ("PSC") service area and rate approvals, (c) costs associated with obtaining any required approvals or permits including any necessary approvals from the PSC, and (d) any



and all other costs, expenses, or fees incurred by it or Utility (including any engineering and legal fees associated therewith) relating to the Utility's delivery of the capacity to the Property; and availability impact fees. Further, Developer acknowledges that the \$99,600 being paid is for both the reservation of capacity (\$75,600) and contribution towards the new water tower (\$24,000). The Developer and/or individual unit owners acknowledge that there will be monthly charges for actual water and sewer usage at the then prevailing rates and charges as approved by the PSC or as imposed by any transferee of the Utility. Failure to pay such monthly charges when due and payable shall be deemed a breach of this Agreement.

6. From and after the date the Cedar Cove Infrastructure is connected to the Haig Point System, Developer shall continue to maintain and keep in good repair the Cedar Cove Infrastructure and shall not perform, or fail to perform, or cause to have performed or fail to cause to have performed, any act or deed that will have a materially adverse effect on the Haig Point System. Failure of the Developer to comply with the provisions of this Paragraph 6 shall be deemed a breach of this Agreement. Notwithstanding, the Utility shall have no obligations to take any action with regard to the Cedar Cove Infrastructure.
7. Upon a breach of any of the terms and conditions set forth in this Agreement, the Utility shall provide Developer written notice setting forth the nature of the breach and five (5) business days in which to cure same. If Developer fails to cure such breach within such five (5) business day period, or if the nature of the breach is such that it cannot be cured within the time frame but Developer is diligently pursuing a cure; provided, in any event, the breach must be cured within thirty (30) days from the date of notice. In the event of an uncured, default, the Utility can then elect to do or perform either of the following (a) terminate this Agreement or (b) cure such breach at the sole cost and expense of Developer (in which case, Utility shall send an invoice for such costs and expenses plus its own administrative fee for undertaking and overseeing such cure to Developer and Developer shall pay same within five (5) business days of receipt).
8. Developer shall indemnify, defend and hold harmless Utility and its contractors, representatives, agents, successors and assigns from and against any and all claims, costs, fees, expenses, loss, damage, and liability, including, but not limited to, witness fees, court costs and reasonably attorneys' fees incurred resulting from its own acts (or failure to act when action is appropriate) or the acts of its contractors, representatives, agents, invitees, successors and assigns related in any way to the Capacity; or arising out of its breach of any of the terms and conditions set forth in this Agreement.

9. In the event Developer's project is not permitted in whole or in part or is otherwise not realized on or before September 30, 2002, the Developer will be entitled to a refund of the monies paid pursuant to this Agreement.
10. This Agreement may not be amended in any respect except by written agreement of the parties hereto.
11. The indemnifications, covenants, representations and warranties contained in this Agreement shall survive any termination of this Agreement.
12. Any notice to be given under the terms of this Agreement shall be given in writing and delivered in person or by certified mail, postage prepaid, return receipt requested, to the following address:

If to Utility: L.H. Ronnie, Jr.  
Haig Point Utility, Inc.  
c/o International Paper Company  
3 Paragon Drive  
Montvale, NJ 07656

If to Developer: Charles L. Cauthen  
c/o The Daufuskie Company  
7 Office Park Road, Suite 101  
P.O. Box 5626  
Hilton Head Island, SC 29938

With a copy to: Neil C. Robinson, Jr., Esquire  
Nexsen Pruet Jacobs Pollard & Robinson, LLC  
200 Meeting Street, Suite 301  
P.O. Box 486  
Charleston, SC 29402

13. Utility and Developer agree to execute and deliver all such other documents and instruments as may be reasonably required to effectuate the transactions contemplated by this Agreement.
14. This Agreement may be assigned by the Utility at any time to BJWSA or any other utility to which Utility may convey the Haig Point System. In the event of any such transfer, Developer shall look solely to such transferee and shall release Utility of any further obligation to Developer or its successors or assigns.
15. Unless otherwise agreed to by the parties, any disputes or controversy arising under or in connection with this Agreement shall be submitted to arbitration in accordance

with the commercial rules of this American Arbitration Act as then in effect. All Arbitration proceedings shall be conducted in Charleston, South Carolina.

16. This Agreement shall be interpreted in accordance with the laws of the state of South Carolina.
17. This Agreement may be executed in one or more counterparts which, taken collectively will constitute one original, binding on all parties.

In Witness Whereof the Utility and Developer have caused this Agreement to be executed, and through their duly authorized officers as this 3rd day of June, 2002.

Collette J. Borch  
[Signature]

Haig Point Utility Company, Inc.

By: [Signature]  
Its: Chairman of the Board

Laurence Borch  
[Signature]

Widewater Dunes Limited Partnership

By: [Signature]  
Its: General Partner

STATE OF New Jersey )  
 COUNTY OF Bergen )

Before me, the undersigned Notary Public, personally appeared Haig Point Utility Company, Inc. by L. H. Ronnely, Jr. its Chairman of the Board, who executed the foregoing instrument this June day of June, 2002, and acknowledged that it executed the same.

Johanna Curry  
 Notary Public for New Jersey  
 My Commission Expires NA CURRY  
 Notary Public, State of New Jersey  
 My Commission Expires October 5, 2005

STATE OF NY )  
 COUNTY OF NY )

Before me, the undersigned Notary Public, personally appeared Widewater Dunes Limited Partnership by Norman H. Velez, its General Partner, who executed the foregoing instrument this 28th day of May, 2002, and acknowledged that it executed the same.

Barbara Borer  
 Notary Public for NY  
 My Commission Expires: 2005

**BARBARA BORER**  
 Notary Public, State of New York  
 No. 01506033383  
 Qualified in New York County  
 Commission Expires Nov. 15, 2005



## HAIG POINT

Leonard H. Ronnie, Jr.  
*President*

June 3, 2002

Mr. Wayne Stokes  
Domestic Wastewater Division  
South Carolina Department  
of Health and Environmental Control  
2600 Bull Street  
Columbia, SC 29201

Re: Cedar Cove, Haig Point  
Daufuskie Island, SC

Dear Mr. Stokes:

The Haig Point Utility Company has the water and sewer capacity to serve Cedar Cove, a subdivision consisting of 18 single-family residential lots and has committed 7,200 gallons of potable water and 5,400 gallons of sewer capacity for such purposes.

Sincerely,

Leonard H. Ronnie, Jr.  
Chairman of the Board  
Haig Point Utility Company

LHR\lb  
06032stokesltr

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

IN RE: PETITION OF HAIG POINT  
UTILITY COMPANY, INC. FOR  
EXPANSION OF SERVICE AREA  
AND APPROVAL OF CONTRACT

**CERTIFICATE OF SERVICE**

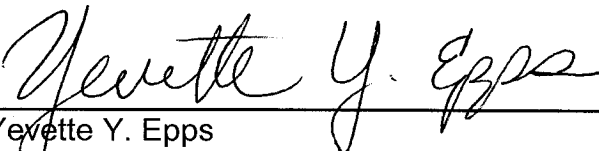
I, Yevette Y. Epps, an employee of Pratt-Thomas, Epting & Walker, hereby  
certify that I have placed this February 23, 2005, a copy of the **Petition** to counsel of  
record by placing the same in the United States mail, first-class postage pre-paid, to:

Office of Regulatory Staff (5 copies)  
P. O. Box 11263  
Columbia, SC 29211

Florence P. Belser, Esq.  
Office of Regulatory Staff  
P. O. Box 11263  
Columbia, SC 29211

F. David Butler, Esq.  
General Counsel  
Public Service Commission of South Carolina  
P. O. Drawer 11649  
Columbia, SC 29211

Thomas F. Connor, Controller  
International Paper Realty Corporation  
3 Paragon Drive  
Montvale, NJ 07645

  
\_\_\_\_\_  
Yevette Y. Epps  
Secretary to G. Trenholm Walker